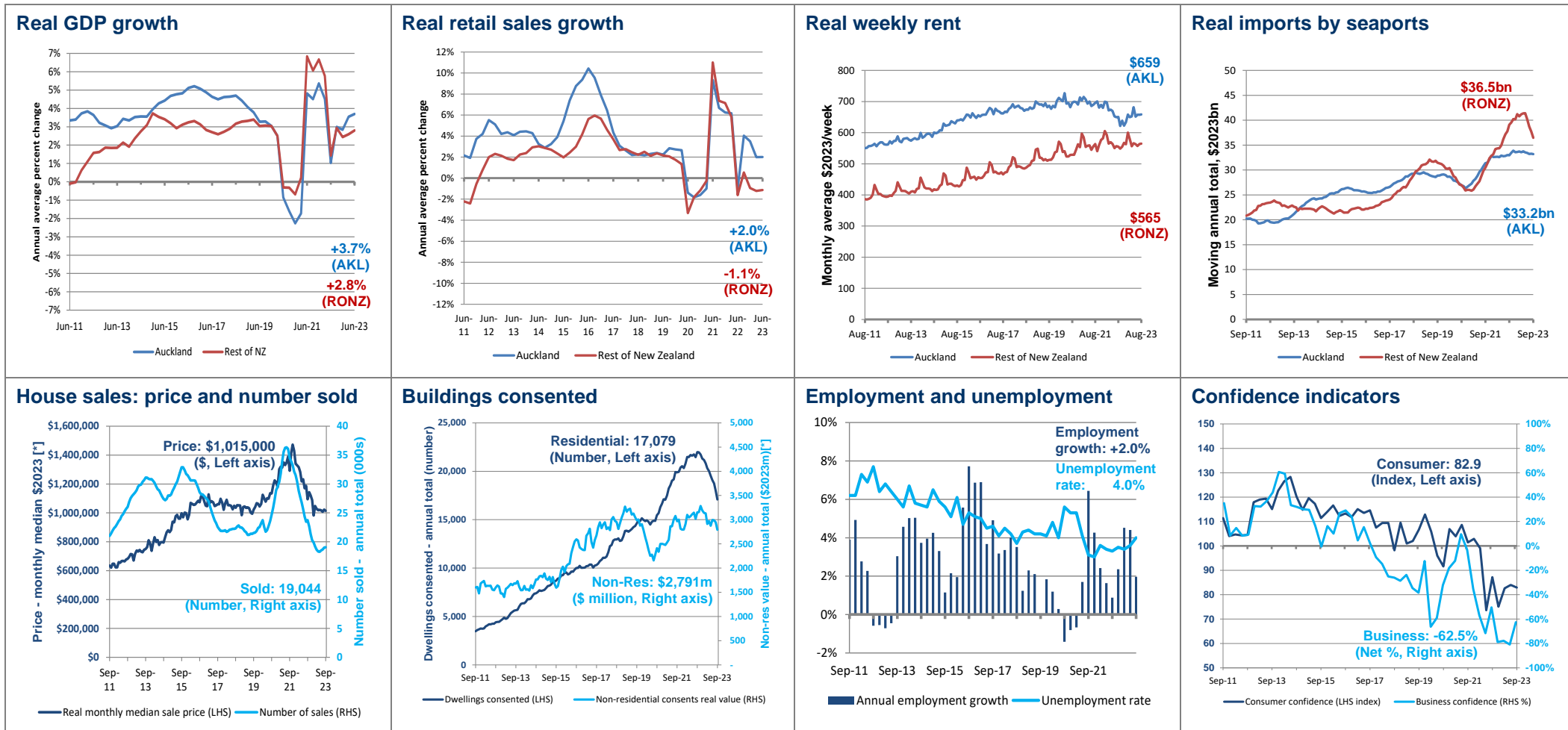


Auckland Economic Update – November 2023

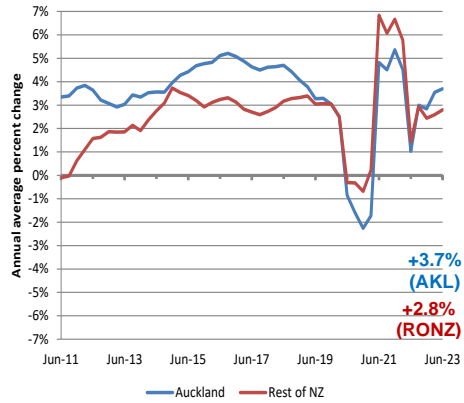


Note: Data is the latest available as at the start of the month, and is for the Auckland region, unless otherwise stated. This is a summary page only. All data sources and technical notes are provided on the next two pages.

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Real GDP growth



Auckland's real* Gross Domestic Product (GDP) for the year ended June 2023 was 3.7% **higher** than for the year ended June 2022; in the rest of New Zealand, the annual change was a 2.8% **rise** (see notes). Both growth rates were **slightly above** their respective 12-year averages.

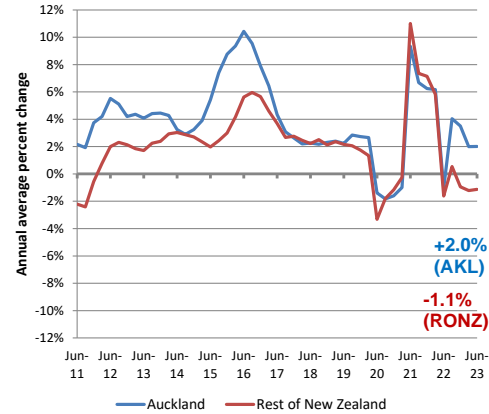
* Real GDP refers to GDP in constant 2022 dollars, to remove inflation.

Lockdowns due to Covid-19 affect results for 2020 onwards. Covid-19 lockdown level 3 began on 23 March 2020.

Latest and historical real GDP figures are modelled estimates, and subject to revision.

Source: Infometrics, Regional Economic Profile/Quarterly Economic Monitor.

Real retail sales growth



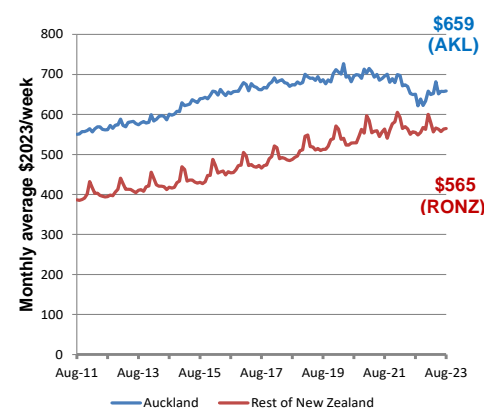
Real retail sales* for the year ended June 2023 were 2.0% **higher** than for the year ended June 2022; in the rest of New Zealand, the annual change was a 1.1% **fall**. Both growth rates were below their 12-year averages. The Auckland rate was **similar** to the two years before Covid, whereas the rest of New Zealand's rate was among **the worst** since 2009.

* Real retail sales have been calculated by converting previous quarters' dollars to the latest quarter's equivalent dollars using the quarterly consumer price index (CPI), to remove inflation.

Note: These figures exclude non-retail activity captured elsewhere in the retail sales survey.

Source: Stats NZ, Retail Sales (quarterly); Stats NZ, CPI (quarterly); Auckland Council (RIMU), calculations.

Real weekly rent



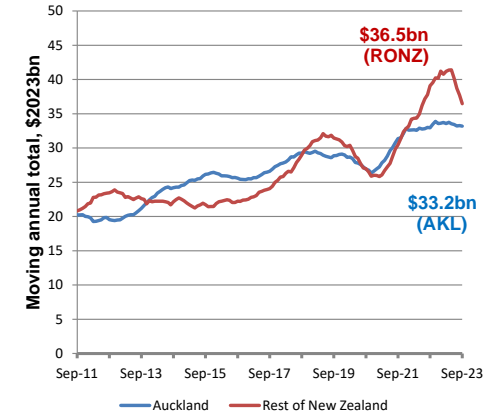
The average (not median or geometric mean) real weekly rent* for the month (not year) of August 2023 was \$659 (1.2% **higher** than August 2022, still **slightly lower** than six years ago, but 5.8% **higher** than November 2022); for the rest of New Zealand, the figure was \$565 (1.8% **higher** than August 2022). Note: "real rent" changes are relative to CPI inflation, so a small "real" fall means rents rose, but more slowly than inflation.

* Real rents have been calculated by converting previous quarters' dollars to the latest quarter's equivalent dollars using the quarterly consumer price index (CPI), to remove inflation.

Note: Dwelling size and quality may vary over time. Rent is for new rental bonds lodged each month with Ministry of Business, Innovation and Employment, for housing tenancies with private sector landlords (so excludes state housing). Data covers only new bonds, so excludes existing leases from earlier periods whose rent has not changed, or has changed but with no revision to the bond. It also excludes new leases where no bond is lodged. Data is subject to minor revisions.

Source: Ministry of Business, Innovation and Employment, Regional Rental Prices (monthly); Stats NZ, CPI (quarterly); Auckland Council (RIMU), calculations.

Real imports by seaports



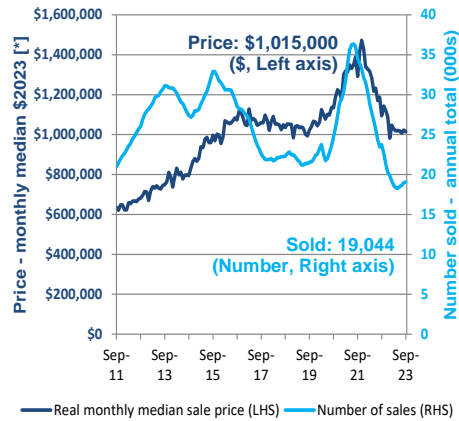
The real* value of imports by Auckland seaports for the year ended September 2023 was \$33.2 billion, which was 0.8% **higher** than the year ended September 2022, and 13.5% **higher** than 5 years ago. For the rest of New Zealand, the figure was \$36.5 billion (6.7% **lower** than a year ago, but 25.8% **higher** than 5 years ago). Auckland's robust post-Covid growth slowed from 2022; non-Auckland boomed until 2023, and now is falling sharply.

* Real import values have been calculated by converting previous quarters' dollars to the latest quarter's equivalent dollars using the quarterly consumer price index (CPI) for tradables, to remove inflation

Note: Import values are cost including freight (CIF). Auckland seaports consist of Port of Auckland on the Waitemata Harbour near the CBD, and Port of Onehunga on the Manukau Harbour (domestic only, no imports); both are owned by Ports of Auckland Limited (POAL).

Source: Stats NZ, Overseas Cargo Statistics-imports-value \$ CIF (monthly); Stats NZ, CPI Tradables (quarterly); Auckland Council (RIMU), calculations.

House sales: price and number sold



The median (not average) sale price of houses sold in Auckland in the month of September 2023 was \$1,015,000 (7% **lower** than a year prior, in real* dollars; 31% **below** the 2021 peak; the **same** as seven years ago; **similar** to the last several months).

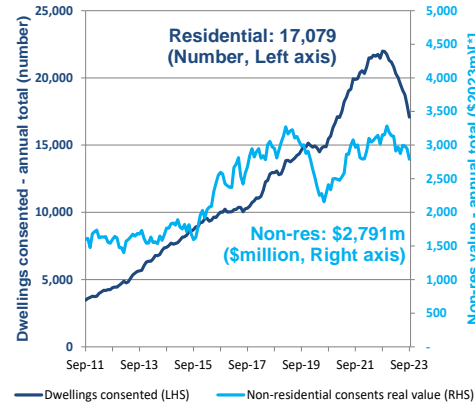
The total number of houses sold in Auckland in the year ended September 2023 was 19,044 (20% **lower** than a year prior, but **rising slightly** for four months in a row).

* 'Real' prices for previous months are calculated by inflating previous quarters' dollars to the latest quarter's equivalent dollars, using the quarterly consumer price index (CPI).

Notes: The data for 'houses' covers actual sales during the period. Size and quality may vary over time. 'Houses' includes all dwelling types (eg apartments and flats), not just free-standing houses, but excludes sales of undeveloped land. 'Price' is real actual sale price* (not just listed). REINZ revises recent data each month for prices and numbers sold.

Source: Real Estate Institute of New Zealand (REINZ), Monthly Property Report (monthly – from website); Stats NZ, CPI (quarterly); Auckland Council (RIMU), calculations.

Buildings consented



The total number of new dwellings consented in Auckland in the year ended September 2023 was 17,079 (22% **lower** than year ended September 2022, continuously **falling** since September 2022, but **above** pre-Covid levels).

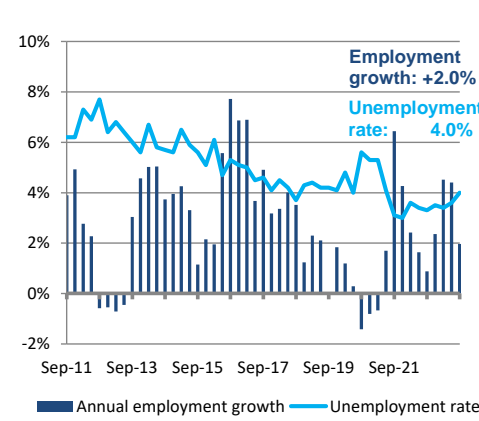
The real value* of new non-residential buildings consented in Auckland in the year ended September 2023 was \$2,791 million (11% **lower** than year ended September 2022 and 15% **below** the November 2022 peak).

* 'Real' values for previous months have been calculated by inflating previous quarters' dollars to the latest quarter's equivalent dollars, using the capital goods price index (CGPI) for non-residential buildings

Note: Projects consented are not necessarily commenced or completed. "New" refers to new buildings (i.e. excludes alterations and additions). Residential number is new dwellings consented, which will exceed new residential buildings as some buildings have multiple dwellings; similarly, it will differ from new residential building consents issued, as some consents are for multiple buildings.

Source: Stats NZ, Building Consents (monthly); Stats NZ, CGPI (quarterly); Auckland Council (RIMU), calculations.

Employment and unemployment



The number of people employed in Auckland in the quarter (not year) ended September 2023 was 2.0% **higher** than in September 2022 quarter, due to both population growth and higher labour force participation rate.

The unemployment rate in Auckland in the quarter ended September 2023 was 4.0%, **slightly above** the last two years' record lows, but still **lower** than nearly all of 2008 to 2020.

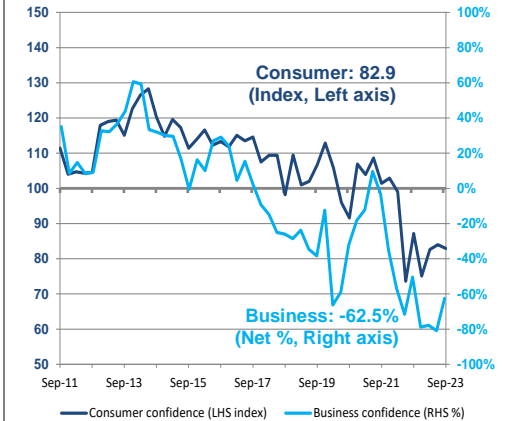
Note: Covid-19 lockdown level 3 began on 23 March 2020, plus wage subsidies, which both affect official unemployment.

Historical data for 2013 to 2020 was re-based by Stats NZ in October 2020 to match latest revisions of historic population estimates.

Both datasets are from a survey (HLFS) so are subject to error margins. Respondents define their own employment status. The survey covers all people aged 15+, so includes school pupils 15+ and people over 65, who might or might not have - or be actively seeking - a job.

Source: Stats NZ, Household Labour Force Survey (HLFS) (quarterly).

Confidence indicators



In Auckland, the Westpac McDermott Miller Consumer Confidence Index (CCI) for the September 2023 quarter was 82.9 – broadly **similar** to recent quarters, but still well below the levels from 1989 to 2021.

The NZIER QSBO in Auckland for the September 2023 quarter showed a net 62.5% of businesses expecting a **worsening** in the general business situation over the next three months – **similar** to 2022 and 2023 views.

Note: Left axis is for CCI (consumers: index). For the CCI, a score of greater than 100 shows more optimism than pessimism.

Right axis is for QSBO (businesses: net %). The QSBO calculates a net figure as (% of businesses expecting an improvement) minus (% expecting a worsening). QSBO data used here is not the seasonally adjusted version.

Source: Westpac McDermott Miller, Regional Consumer Confidence Index (CCI) (quarterly – published, but proprietary); New Zealand Institute of Economic Research (NZIER), Quarterly Survey of Business Opinion (QSBO) (quarterly – by subscription).